

Message Text

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PAGE 01 BEIRUT 00336 191437Z
ACTION NEA-10

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C O N F I D E N T I A L BEIRUT 0336

E.O. 11652: GDS
TAGS: EFIN LE
SUBJ: GOL BOND ISSUES: CONTINUED SUCCESS

REF: (A) 77 BEIRUT 6247, (B) 77 BEIRUT A-53

1. GOL HAS PURSUED ITS NEW APPROACH TOWARD INTERNAL BORROWING WITH TWO MORE FLOTATIONS OF 90-DAY, 3 PERCENT TREASURY BILLS. ON DECEMBER 28 GOL SOLD LL 108.9 MILLION. ON JANUARY 17, GOL ACCEPTED LL 250 MILLION OF LL 320 MILLION SUBSCRIBED BY BANKS. ADDING TO THESE THE RESULTS OF INITIAL SALE DECEMBER 9, GOL HAS WITHIN FORTY-DAY SPAN RAISED LL 447.4 MILLION ON INTERNAL MARKET, WITH NO SIGN OF HAVING TOUCHED BOTTOM.

2. BANK SOURCES AGREE THAT CENTRAL BANK INTERVENTION TO SUPPORT LEBANESE POUND AGAINST THE DOLLAR AT APPROXIMATELY LL 2.96 TO \$1 U.S. AND HOLD POUND VALUE NEAR LL 3 TO \$1 BEGINNING FIRST WEEK OF JANUARY PRODUCED MONEY SUPPLY BULGE, AND THIS EXCESS IS RESPONSIBLE FOR BANK WILLINGNESS TO BUY GOL PAPER.

3. GOL'S PRINCIPAL ADVISOR ON DEBT STRATEGY, PETER DURLOCHER, INFORMED ECONOFF JAN 16 THAT HE HAD THAT MORNING DRAFTED A PROTOTYPE GOL DECREE SHIFTING BASIS OF FUTURE SALES FROM FIXED
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TO U.S.-STYLE COMPETITIVE BID. IF GOL APPROVES IDEA IN TIME, DURLOCHER HOPES BEGIN COMPETITIVE SYSTEM WITH NEXT OFFERING SCHEDULED FOR JANUARY 31.

4. SUCCESS OF SHORT-TERM APPROACH CONTINUES TO BE MOST IMPRESSIVE. BEFORE CHRISTMAS HOLIDAYS DURLOCHER

THOUGHT GOL MIGHT AVERAGE LL 1 MILLION PER MONTH.
AVERAGE TO DATE IS WELL ABOVE THAT.
PARKER

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Message Attributes

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